

BELMONT WARRANT COMMITTEE FY08 MEETING MINUTES
FINAL

JANUARY 16, 2008, 7:30 P.M.

CHENERY MIDDLE SCHOOL COMMUNITY ROOM

Present: Chair Curtis; Members Allison, Brusch, Callanan, Epstein, Heigham, Hofmann, Jones, Lynch, McLaughlin, Oates, Paolillo, and White; Town Administrator Younger, Town Treasurer Carman; BOS Member Solomon, School Committee Chair Bowe, Town Accountant Hagg
Absent: Member Widmer; BOS Chair Firenze

The meeting was called to order at 7:31 pm by Chair Curtis.

Chair Curtis began by informing the WC that this meeting would focus around the school budget presentation and that since Superintendent Holland had a conflicting obligation this evening, Gerry Missal (Director of Finance and Administration) will be presenting the budget.

FY09 Preliminary School Budget Recommendations Presentation

Dr. Missal turned the WC's attention to the handout entitled: "Superintendent's Recommended FY09 School Budget." This year's proposed budget totals \$39,824,999, which is up 7.5%. Salary changes impact the budget by 5.3%, and State-mandated changes have a 1.6% impact, which totals 6.9% (of the total of 7.5%). We are seeing the results of successful negotiations of medical insurance from a 90-10 ratio to 80-20. This change shows a shift of medical insurance money going down, as well as the artificial increase in salaries. The budget includes the addition of 4 new teachers, 2 of whom were hired in September to address the over-25-students-per-class enrollment, which is deemed too high at the early elementary levels. The budget is catching up to the enrollment reality by proposing to add a new 5th-grade teacher at the Chenery. If not, class sizes there will exceed 28 students, as there are 46 more students in the current 4th grade than in the current 5th grade. Adding a new teacher would bring this number down to 25. Missal continued: We are needing to add one new teacher at the high school level where enrollment is also getting out of control. The 4 teachers total \$202,552. Dr. Missal continued: Programmatic Improvements include the cost of \$380K for the implementation of full-day kindergarten (FDK) and the Director of Guidance and Assessment position at \$90K, which totals \$470K or +1.3 %. Last month, a regular SC meeting was held which included a discussion of FDK, 300 signatures went on a petition, and 90% of parents attending the meeting expressed their support. The Director of Guidance and Assessment position had been eliminated some years ago. It is direly needed due to the amount of testing required under "No Child Left Behind." The analysis of data from those tests is a vast undertaking which has burdened both the Principals and Assistant Superintendent Aubin, who simply don't have the time. With regard to Special Education, the number of students is increasing, but the Circuit Breaker funds are not going up - that funding has reached its peak. LABBB revenue is going down as well. Utility increases are up \$120K, electricity will be up 52%. We have to budget at this increase for a full 12 months. It has been hard to budget for fuel oil increases, as the collaborative bid has helped, but a 15% projected price increase has been budgeted. Fringe benefit changes for retired persons will go down \$136K as the plan shifts to 80-20 for HMO and 75-25 for PPO.

The budget is level-funding most areas, including: supplies, textbooks, instructional equipment, technology. Note that Belmont is spending 64 cents per pupil per day and \$37 per student, per year for textbooks. Regarding the SC's 5 revolving accounts: it has decided to run down the balance on those accounts (gradually over 3 years, where FY09 is the third year), which will reduce the bottom line of the school budget. The total amount of revenue is \$1.8M, which will reduce to \$1.6M next year, etc. The dropping revenue leaves \$202K total in loss of revenue.

Belmont is still well behind the state average with regard to per-pupil spending, even including the "All Funds" calculation, which shows funding regardless of source (fees, for example, and Belmont Foundation for Education).

Missal concluded his presentation by noting that the elementary enrollment increases have been significant due to an influx of families with young children. "There are 133 elementary students

more than what was projected 2 years ago. The issue of capacity is impacting our schools town-wide", he said. Missal also noted that the SC will be asked to take another look at the educational specifications for the Wellington School in light of these increases in enrollment.

Discussion/Questions

Chair Curtis opened the Discussion/Questions section with the framework of addressing the specific questions first, and then looking at the big picture of the SC budget proposal as well as the Town Administrator's budget.

The specific questions pertained to health insurance savings, which are the result of changes in contribution and plan design changes. Dr. Missal noted that the amount for retirees was impacted less, because they tend to select the PPO option, which only went down by 5 %. Town Administrator Younger asked about the 2 carry-over teacher positions as well as the proposed 2 new positions and the benefit impact there? Missal explained that he does not factor in a benefit cost for each individual position; he uses history from past years. Member Epstein asked about the rising cost of Special Education. Mr. Missal discussed the LABBB program and its budget impact, as well as the Circuit Breaker funds from the state. Member Heigham noted that \$50K of the IT network position costs that used to be paid by the SC budget, are now being paid by the town - are there other such funds being shifted from school to town? Missal answered, no, not this year. Member Allison noted that in the revolving reserve account, we are actually looking at net cost figures, not gross. What, she asked, are the cost categories where we are really looking at net number? Missal answered: special education, utilities, and athletics. Member Hofmann noted that the numbers regarding retirees going up \$170K "did not compute," as they are being impacted by savings and going onto Medicare. Missal said he would work closely with Town Accountant Hagg on those numbers, and will share the finding with the Education Sub-Committee. Town Administrator Younger asked where the \$100K came from for the two new teachers hired in September? Missal replied that the SC budget drew on savings in other accounts and medical insurance savings.

General discussion followed. Chair Curtis: In reviewing the town budget and school budget, the town budget for FY09 totals \$43.1M. (3.8%). If we add that to the SC's proposal of \$39.8M, we get \$82.9M total. Member White forecasted revenues coming in at \$78.9M, which leaves a shortfall total of \$4M. \$1M from free cash had already been put to the operating budget to assuage what had been projected as a \$2.3M deficit, not a \$4M deficit. This can be a starting point for WC discussions, concluded Curtis. Member Allison added that Member White's projections were "no recession" projections. The \$78.9M figure was built on the assumption that revenues will be as they were in the past. That may not be best assumption to make for the coming fiscal year. Member Heigham agreed and noted that interest rates are going down, as well. Member McLaughlin asked: "What happens now?" Chair Curtis stated that what happens next is that "cuts and trims" are made. Level-service budgets from both sides will need to come forth. Member Paolillo offered that the free cash discussion will play into this, and that the WC should establish a policy concerning the use of free cash. "We should decide as a town, what % of free cash to use each year, from a reserve perspective," he said.

Future Warrant Committee meetings

Chair Curtis would like to schedule the Board of Assessors to come next week (1/23/08). At that meeting, he would also like to give sub-committees instructions for their presentations. On 1/30/08, he would like Representative Brownsberger to provide a Beacon Hill update, as well as Glenn Clancy, who should speak to the issue of roads (his budget assumes a \$2M override). On 2/6 and 2/13/08, we will hear sub-committee reports, Curtis continued. We can then determine if we will meet during February vacation (2/20/08). Next up, Curtis said, the BMLD should come back to discuss its substation on 2/27/08. And on 3/5/08 and 3/12/08, we will continue to hear sub-committee reports. There is a town election on April 7, and we will need to discuss potential override articles that will be put to voters. After that, the WC will need to discuss the questions on the April Town Meeting Warrant.

Other

Member Brusch announced that on Tuesday, January 22, 2008 at 7:00, the Police Station feasibility study will hold its public input meeting. A Police Station open house tour begins at 6:00.

Town Accountant Hagg reminded WC members that next week's meeting (Wednesday, January, 23) will be held at Town Hall. Member Heigham moved to adjourn the meeting at 9:01 pm.

Submitted by Lisa Gibalerio
WC Recording Secretary